

Veterans Trust Fund Bill House File 2466

Last Action:

FINAL ACTION

May 9, 2012

Executive Summary Only

An Act making appropriations to the commission of veterans affairs for the provision of veterans services, and including effective date provisions.

**Fiscal Services Division
Legislative Services Agency**

NOTES ON BILLS AND AMENDMENTS (NOBA)

Available on line at <http://www.legis.iowa.gov/LSA/Reports/noba.aspx>
LSA Contact: Jennifer Acton (515-281-7846)

NEW PROGRAMS, SERVICES, OR ACTIVITIES

- Creates a standing limited appropriation, beginning in FY 2013, from the Veterans Trust Fund to the Commission on Veterans Affairs of the first \$300,000 received from designated Lottery Fund proceeds deposited in the Veterans Trust Fund. The money appropriated to the Commission that remains unobligated or unexpended at the end of the fiscal year will revert to the Veterans Trust Fund.

Page 1, Line 7

NOTE: Lottery money is deposited in the Veterans Trust Fund four times a year pursuant to Iowa Code section 99G.9A. The quarterly deposits are made in October, January, April, and June. From FY 2009 through FY 2011, the average quarterly deposit of Lottery proceeds has been approximately \$713,000 and the estimated annual amount has been approximately \$2.9 million.

- Provides a sales tax exemption for veterans organizations games of chance that provide for educational scholarships.

Page 2, Line 22

FISCAL IMPACT: Since the sales tax exemption is specifically for veterans organizations games of chance that provide for educational scholarships, it is estimated that the fiscal impact will be less than \$100,000 annually. The organization will claim the exemption when they file and pay sales tax to the State. The Department of Inspections and Appeals reported that the revenue received from all gaming activities, including raffles, in FY 2012 was \$226,400.

- Provides a one-time appropriation of \$300,000 for FY 2012 from the Veterans Trust Fund to the Commission of Veterans Affairs.

Page 2, Line 29

NOTE: As of March 31, 2012, the current balance in the Veterans Trust Fund was \$15.1 million. The current balance in the spendable portion of the Veterans Trust Fund was \$15,900 and all the money has been obligated. The current remaining backlog amount for expenses authorized under Iowa Code section 35A.13(6) is \$32,500.

Assistance categories are established in Iowa Code section 35A.13 and defined in Iowa Administrative Code 801, Chapter 14. The money in the spendable portion is used for Veterans assistance including the following: unemployment or underemployment assistance due to service-related causes; assistance with vision, dental, and hearing; emergency vehicle or home repair; transitional housing in an emergency; *job training or tuition assistance; travel expenses for service-related medical care; durable medical equipment; prescription drugs; counseling and substance abuse services; emergency room and ambulance transportation assistance; DNA testing to determine if a deceased veteran is the parent of a child; family support groups; matching*

funds to service organizations; and honor guard services. The funding for items in italics has been suspended due to lack of funds.

As of March 31, 2012, for FY 2012, total claims of \$75,905 have been processed. The interest income through seven months of FY 2012 is \$24,255. The interest earned for FY 2011 was \$38,016. The interest is deposited monthly. The current interest rate is 0.3%. In addition to interest income, tax checkoff dollars and donations are a part of the spendable dollars. The Department of Veterans Affairs reports that due to a long wait time and lack of funds, many counties have not sent in FY 2012 applications.

In FY 2011, total claims of \$104,991 were processed. In FY 2010, total claims of \$139,444 were processed. In FY 2009, total claims of \$434,000 were processed. In 2009 some of the assistance categories were suspended due to a lack of funds. (The annual report presented by the Department of Veterans Affairs shows veteran assistance numbers on a calendar year basis rather than by fiscal year.)

EFFECTIVE AND ENACTMENT DATES

- The one-time appropriation of \$300,000 from the Veterans Trust Fund to the Commission of Veterans Affairs is effective on enactment. The \$300,000 standing limited appropriation from the Veterans Trust Fund is effective July 1, 2012. Page 2, Line 36
- The sales tax exemption for veterans organizations games of chance that provide for educational scholarships takes effect retroactively to January 1, 2012. Page 2, Line 42